

{As Prepared for Delivery}

**National Rural Economic Developers
Wyndham City Center Hotel, Washington, D.C.
September 13, 2005**

**Breakfast Remarks
Thomas C. Dorr
Agriculture Under Secretary for Rural Development**

Thank you. It is a privilege and a pleasure to be here.

**This is a partners meeting, and I'd like to begin by thanking all of you
for the outstanding work you are doing to increase economic
opportunity and improve the quality of life in rural communities.**

**That's our mission statement, it's yours too -- and together we can and
do make a real difference in the lives of the 60 million people who call
rural America home.**

***[KATRINA RESPONSE
THURSDAY, SEPTEMBER 8 FIGURES/FIGURES UPDATED DAILY]***

**Before I go any further, I'd like to pause just for a moment and ask if
there is anyone here from the Hurricane Katrina impact area. If there**

is -- on behalf of President Bush, Secretary Johanns, and a very effective team at USDA Rural Development -- I just want to emphasize again that we are with you not only in spirit, but on the ground. And you can continue to count on that in the months, and indeed the years, ahead.

Do we have anyone here from the hurricane impact area?

For the rest of us, whose exposure to this killer storm has been through the safe medium of a television set, I'd like to ask that you continue to keep the victims of Hurricane Katrina in your thoughts and prayers.

This was not just another hurricane. We have seen significant loss of life, the flooding of a major city, and social disruption on an exceptional scale.

It's not an illusion that hurricane impacts seem to get worse over time.

As population grows, as people continue to be attracted to coastal areas, and as the density of development in vulnerable locations continues to increase, big storms hit with ever greater impact. This one was very big. And so is the response effort, which is the largest ever mounted in American history.

Make no mistake: if we are adequately prepared, and if we help rural communities and businesses adequately prepare, many of the changes that are now unfolding offer tremendous potential to rural areas.

That's obviously true, for example, of alternative energy and renewables. Ethanol and biodiesel are booming. The 7.5 billion gallon fuel standard in the Energy Bill guarantees that this will stay on track through 2012.

In fact, with \$3 a gallon gasoline, the public, Congress and the press may soon be saying we aren't moving fast enough.

The biofuels potential for the rural economy is enormous, and it's not just higher crop prices -- it's the ownership opportunities for rural investors, the jobs in small towns, and the example ethanol sets for a host of emerging value added opportunities arising from bioagriculture.

Energy is just one driver. Broadband is another. Time and distance are shrinking. Rural isolation is less a factor than ever before. Every small business with broadband access, regardless of where it's located, has global reach. And faces global competition.

I'm proud to say that USDA is playing a major role, and it is a role that will grow over time as reconstruction gets underway.

Prior to Katrina coming ashore, USDA had already pre-positioned food in warehouses in Louisiana and Texas. We've already purchased or diverted from existing sources over twelve million pounds of food and made available food assistance worth over fifty million dollars.

USDA Rural Development has also arranged for 30,000 housing units for those displaced by the storm. That's from Russ Davis and his team in our Housing Programs, who have done an exceptional job.

Our utilities programs – Curtis Anderson and his crew -- are helping bring electrical, telecommunications, sewer and water services back on line. Many of you have probably been involved in that effort as well.

And we will continue to have a very large role, particularly in our housing and community facilities programs, as rural communities embark to rebuild.

One of our sister agencies in USDA, the Forest Service, has deployed nearly 3,000 employees who are trained in rescue and response to large-scale incidents. Many more USDA people are serving in other capacities. The list goes on and on. And the rebuilding will take years.

There are occasions -- and this is one of them -- when I know I'm preaching to the choir.

As I look around this room, I know that many -- probably most -- of you have partnered with us over the years. And we certainly look forward to working with you for many years to come.

When we look beyond the day-to-day press of business and think strategically, all of us are concerned with the management of change.

All of us recognize that change creates both challenges and opportunities. We're in the business of seizing those opportunities.

Our goal collectively is to empower rural residents, businesses, and communities not simply to survive, but to thrive ...

... To prosper, profit, and grow not despite but actually because of the economic and structural transformations that are inescapably reshaping America, including rural America.

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Just as the internet empowers rural businesses, it also empowers employees and the self employed. It allows jobs to move to people rather than the other way around.

In particular, this liberates people who work with knowledge, with ideas, with words -- and these highly educated people are the cutting edge of the 21st century economy. And quite frankly, there are an awful lot of them who wish to live in rural America.

Why should a knowledge worker sit in traffic two to four hours a day, commuting from an expensive urban house to an expensive urban office, just to sit at a computer?

Increasingly, he or she won't. Not when all it takes to be at work is a click of the mouse. Not when you can have twice the house for half the money in another location. Not when gas is \$3 a gallon.

Two hours a day in traffic is 8% of your life. Four hours a day is 16%. That's pure wastage when a click of the mouse takes less than a second.

To a degree never before seen in human history, people have a choice about where to live. And increasingly, they will exercise that choice.

That means rural communities can leverage another of their not-so-secret weapons, something I call "place." That's my shorthand term for the combination of lifestyle factors, attitudes, work ethic, and community values that make rural areas such attractive places to live.

So as I look at rural America ... at bioagriculture ... at broadband ... at new opportunities in value added production ... at ethanol, wind, and solar power ... at improved infrastructure and lifestyle choices ... I see opportunities. So do you. That's the business we're in.

Rural Development is, among other things, a venture capital entity investing, in recent years, about \$12-13 billion a year in infrastructure, affordable housing, community facilities, and business development.

That's up about 40% from the \$8-9 billion level of the late 1990's, and since President Bush has taken office, it adds up to over \$54 billion invested and over 1 million jobs created. Those totals grow every day.

This is the future of rural America. The paradigm has shifted. Today 96% of the income in rural counties is from non-farm sources, and that percentage is going to stay strong.

A diversified economic base, a skilled, world class workforce, good schools and access to quality community-based health care, modern infrastructure /... and you mix those ingredients together with vision, leadership, and investment capital, and the future is bright.

The paradigm shift didn't happen overnight, and it's not yet completed. We have a new Farm Bill coming up.

Let me suggest to you that the paradigm shift will be complete when, instead of a Farm Bill with a Rural Development title, we have a Rural Development bill with a Farm Policy title.

When 96% of the income in rural counties is from non-farm sources, that's a fair statement of the case.

I know that's not going to happen in the next Farm Bill, but I am less concerned about the title than the substance. And that's an area where I'd like to ask your help.

President Bush has asked that Secretary Johanns and USDA consult as widely as possible in developing the 2007 Farm Bill. We're doing that.

Secretary Johanns, myself, and other USDA officials, are in the midst of conducting a nationwide series of Farm Bill Forums. There will probably be at least one in every state to give as many people as possible a chance to share their views. I hope you will take the opportunity to participate.

It's too early, of course, to speculate about the outcome.

But what is coming through very clearly in the Forums is that the kind of issues I've addressed today -- infrastructure, community facilities, alternative energy, bioagriculture, diversifying the rural economy -- are very much on people's minds.

And that suggests that what you are doing will be an even greater priority in the days ahead.

You and I understand the importance of it and the good news is, we're not alone. Rural Development, whether in the private sector or on the governmental side of the table, is building the future. That's an exciting job -- and a great responsibility.

So in closing, let me again thank you for your partnership in that effort.

We look forward to working with you. Thank you.